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Chinese Communists Increasing Loyuan Bay Shipping Under Air Cover

Chinese Communist ship traffic in the Loyuan Bay area is continuing at a high level since the reported sighting on the evening of 26 June of an LST, a 1,000 ton tanker and 2 steamers, under convoy of 2 naval PGM, leaving the Bay. 1/ On 4 July a 600 ton tanker and 4 steamers under escort of 3 naval PCs were reported entering the Bay. 2/ On 5 July [redacted] reported some 19 vessels in the Bay, including naval craft, ~~naval craft~~, on an anti-ship strike, ~~naval craft~~, reportedly hit a "large Ship" and damaged 3 small vessels. 3/ A 600 ton tanker (probably the same one sighted above) and two 250 ton vessels were noted leaving Loyuan Bay on the evening of 6 July. 4/

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It is interesting that these ship movements coincide with evidence of increased Chicom hostility on their patrol flights over the area. This increased hostility was evident for some days prior to the reported sighting of the first convoy leaving Loyuan Bay. 5/ On the morning following this sighting the Chinese Communists shot down a Chinat RT 33 in the area just east of the Bay. 6/ On the evening of 4 July, 4 Chinat aircraft were attacked by 4 Chicom fighters in the same general area. 7/ A few hours later the Chicom convoy of 8 vessels was noted entering Loyuan.

The coincidence in time and locality of shipping and air activity suggests that the Chinese Communists are providing air cover for coastal ship movements. It is apparent that the Chicom are willing to incur increasing risks of armed incidents with the Chinat in order to improve their logistic position in the Foochow area. Such incidents would also serve the purpose of keeping the Formosa Straits issue active in the hope that world opinion might force discussion of this issue at the Summit or subsequent conferences.

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